

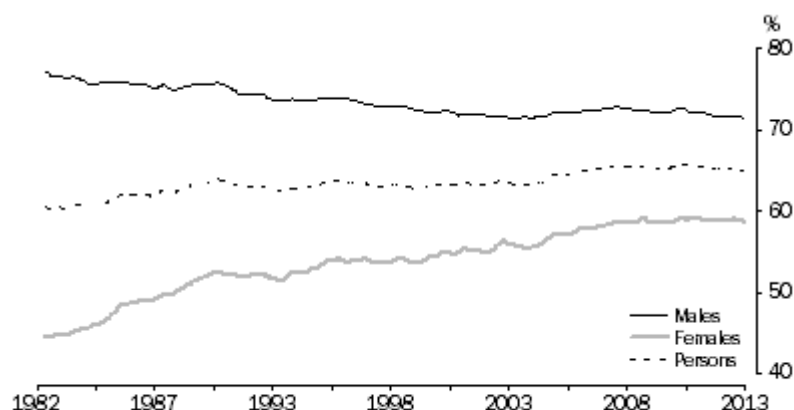
6239.0 - Barriers and Incentives to Labour Force Participation, Australia, July 2012 to June 2013

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INTRODUCTION

Labour force participation is one of the most important indicators of the overall level of labour market activity. During the last three decades, the trend labour force participation rate in Australia has increased slowly from 60.6% in January 1983 to a high of 65.8% in December 2010, driven by an increase in female participation. Since 2010, the participation rate has gradually been decreasing, falling to 64.8% in October 2013, with most of the decrease in male participation.

LABOUR FORCE PARTICIPATION, By sex, 2012–13



Source: Labour Force, Australia, October 2013 (cat. no. 6202.0)

While Australia's labour force participation rate is higher than many OECD countries (11th out of 35), there are some groups, such as women aged 30–34 years (average childbearing age), for which Australia has a lower participation rate than many other countries (25th out of 35 OECD countries)¹. A policy focus in recent years has been directed towards encouraging people to enter or remain in the labour force, and increasing labour force participation more generally.

The 2012–13 Barriers and Incentives to Labour Force Participation topic asked respondents aged 18–75 years who were not employed or who usually worked part-time hours in all jobs about a range of incentives that would encourage them to join or increase their participation in the labour force. This article uses published data and data available on request to examine some of the incentives people reported to be 'very important' to encourage them to participate (or increase participation) in the labour force.

PERSONS NOT IN THE LABOUR FORCE

For all persons not in the labour force, the incentives to join the labour force reported 'very important' by most people were:

- 'ability to work part-time hours' (33%);
- 'getting a job that matches skills and experience' (32%); and

- being able to 'work a set number of hours on set days' (31%).

The incentives reported 'very important' by the most females not in the labour force were:

- 'ability to work part-time hours' (38%);
- being able to 'work a set number of hours on set days' (36%); and
- 'getting a job that matches skills and experience' (34%).

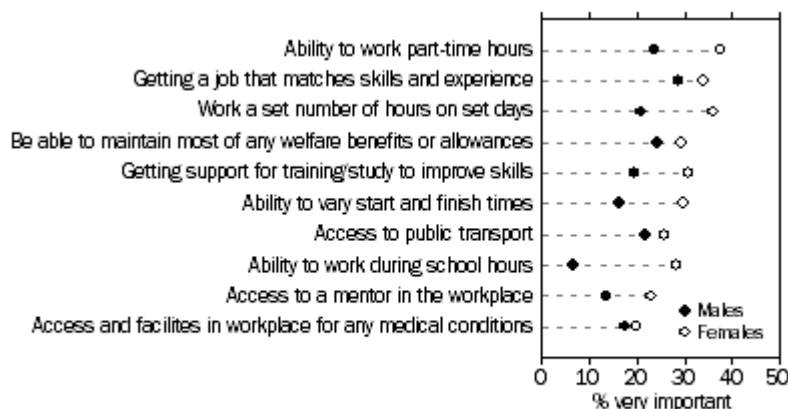
The 'ability to work part-time hours' was particularly important for females aged 35–44 years with 61% reporting this as a 'very important' incentive.

The incentives most commonly reported as 'very important' for males who were not in the labour force, were:

- 'getting a job that matches their skills and experience' (29%); and
- being 'able to maintain most of any welfare benefits or allowances' and the 'ability to work part-time hours' (both 24%).

The 'ability to work school hours' was more important for females than males with 28% of females reporting it as 'very important' compared to only 7% of males.

PERSONS NOT IN THE LABOUR FORCE, Selected incentives, by sex, 2012–13



Source: Data available on request, Barriers and Incentives to Labour Force Participation, 2012–13.

For females not in the labour force with children aged under 13 years, 58% reported 'financial assistance with childcare costs' as a 'very important' incentive and 57% reported having 'access to childcare places' as 'very important'.

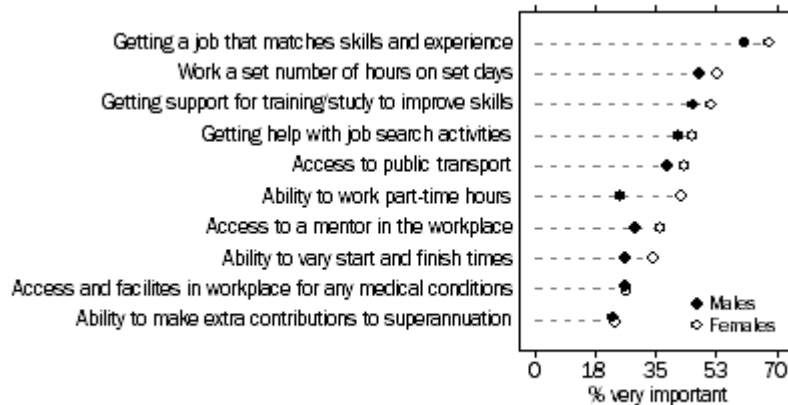
PERSONS UNEMPLOYED

In 2012–13 unemployed people were asked for the first time about factors that would assist them in obtaining a job. The factor reported as 'very important' by the highest proportion of unemployed people was 'getting a job that matches skills and experience' (64%). This was reported by both males and females as being 'very important' (61% of males and 68% of females). For males, the age group with the highest proportion reporting this factor as 'very important' was the 45–54 year age group (72%) and for females it was the 35–44 year age group (74%).

Other factors reported as 'very important' by a high proportion of unemployed people were:

- 'ability to work a set number of hours on set days' with 50% (48% of males and 53% of females);
- 'getting support for training/studying to improve skills' with 48% (46% of males and 51% of females); and
- 'getting help with job search activities' with 43% (41% of males and 46% of females).

UNEMPLOYED PEOPLE, Selected factors to find work, by sex, 2012–13



Source: Data available on request, *Barriers and Incentives to Labour Force Participation, 2012–13*.

PEOPLE WORKING PART-TIME HOURS

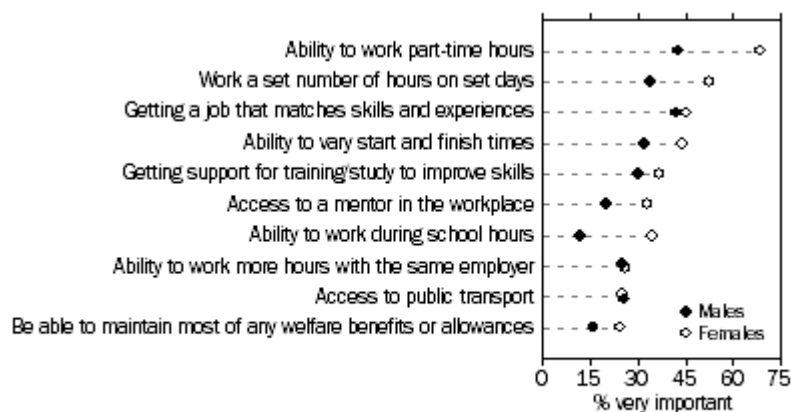
For people who usually work part-time hours in all of their jobs (usually working less than 35 hours per week), the most common incentives rated as 'very important' to working more hours were:

- 'ability to work part-time hours' with 61% (43% of males and 69% of females); and
- being able to 'work a set number of hours on set days' with 47% (34% of males and 53% of females).

This indicates that for many people who work part-time, being able to continue to work part-time hours and to have flexible arrangements are key attractions when considering working more hours. Being able to work part-time hours was particularly important for males aged 55–75 years (coinciding with a transition into retirement in the later years), males aged 18–24 years (coinciding with study commitments) and females aged 25 to 54 years (coinciding with childcare commitments).

For females with children aged under 13 years, 55% reported having 'access to childcare places' as 'very important' and 51% reported 'financial assistance with childcare costs' as 'very important'. The childcare incentives were most important for females aged 18 to 34 years.

PEOPLE WORKING PART-TIME, Selected incentives to work more hours, by sex, 2012–13

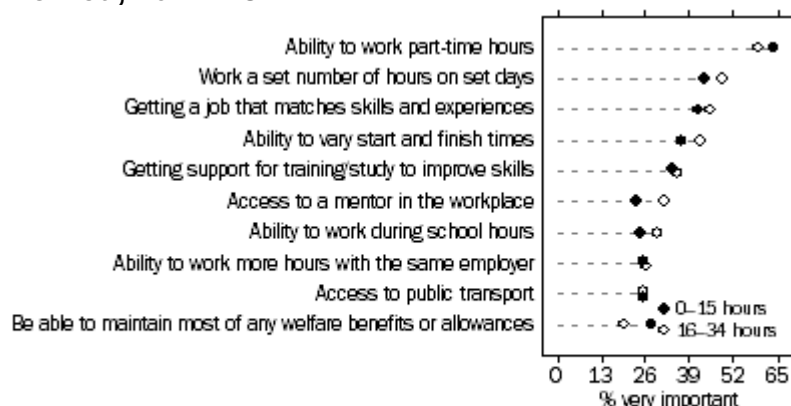


Source: Data available on request, *Barriers and Incentives to Labour Force Participation, 2012–13*.

There were similarities in the importance of incentives for people working less than 16 hours per week and those working between 16 and 34 hours. It can be seen in the graph below that most of the top ten incentives were rated as 'very important' by a slightly higher proportion of people who usually work 16–34 hours, except for:

- 'ability to work part time hours' (64% of persons who usually work less than 16 hours and 59% of persons who usually work 16–34 hours); and
- being 'able to maintain most of any welfare benefits or allowances' (28% of persons who usually work less than 16 hours and 20% of persons who usually work 16–34 hours).

PEOPLE WORKING PART-TIME, Selected incentives to work more hours, by hours usually worked, 2012–13



Source: Data available on request, *Barriers and Incentives to Labour Force Participation, 2012–13*.

CONCLUSION

This article highlights the incentives data collected in the 2012–13 Barriers and Incentives to Labour Force Participation topic. Both persons not in the labour force and those employed part-time place importance on being able to work part-time hours and being able to work set hours on set days. This highlights the preference for many in these groups to engage in, or maintain, part-time employment to enable them to balance their work with other commitments. The unemployed placed importance on utilising their existing skills/experience and improving their skills through training/study. This demonstrates the importance of skills, experience and job fit in assisting them transition into employment. For females with children aged under 13 years, child care incentives were particularly important.

END NOTE

1. Data available from Organisation for Economic Co-Operation and Development (OECD) Labour Force Statistics database, accessed October 2013.

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